

Department of Community Affairs  
Comments regarding the Board of Public Utilities Recommendations for the Universal  
Services Fund Program

The Department of Community Affairs has administrative responsibility for the processing of applications for the Home Energy Assistance (HEA) Program and the Universal Services Fund (USF) Program. The DCA and the agencies that process the USF/HEA application have been challenged by the changes made to the HEA Program to accommodate the USF Program. These challenges which are covered in detail in the APPRISE Report and were discussed in the workshops sponsored by the Board of Public Utilities are listed below:

1. The USF Program was started as a pilot project that utilized the HEA and Lifeline databases to identify and provide benefits to eligible households. During this time it was not possible to apply for the program and if the matching process was unsuccessful, the eligible household did not get a benefit. **While this process was successful in providing USF benefits to many eligible recipients, it also created problems for the application agencies, since they had not been adequately educated about USF and basic materials about the program were not provided in a timely fashion. Additionally many recipients were under the impression that the application agencies had inappropriately provided confidential information to another program since they did not “apply” for USF.**
2. A new data system had to be created to accommodate the USF Program. While OIT worked diligently with DCA and DHS staff to develop the system within the required six- month timeline, there was insufficient time to test the system and train the users of the system before the application period opened for USF and HEA. **When the database was bought on-line, it did not operate as anticipated. The agencies that process applications did not receive adequate training and were faced with the requirement to process applications in a system that did not operate properly.**
3. An application backlog developed during the 2004-05 program year due to the database problem and the following issues:
  - a. **Inadequate funding** – In sufficient funding was provided for both HEA and USF due to the rejection of DCA funding requests and cost sharing.
  - b. **Insufficient Data** - Agencies had to respond to thousands of notices sent to households about information that could not be collected on food stamp households due to the limitations on data collected in FAMIS and transferred to the HEA/USF database.
  - c. **Inaccurate Notifications** - Agencies had to respond to thousands of notices sent out in error regarding duplicate social security numbers. These notices advised recipients that they were denied a benefit when they were approved.
  - d. **Duplicate Application Mailing** – The Department of Human Services sent out thousands of USF application packages to households that had

already received a HEA application package from the application agency. This mailing caused confusion and added additional work to the agencies at the peak of the backlog. The majority of these applications were duplicates. When the recipients of these application packages mailed them back to DHS, instead of the application agency, hundreds of them were mailed by DHS to the wrong in-take agency. This further complicated the work effort of the agencies that had to sort through every application, search the database to find that the application was already entered, or that an application had already been received and was pending processing, or that the application belonged to another agency in another County. Agencies had to contend with clients who felt that the agency had lost their application when in fact it had not been received.

- e. **Data System Slow Down** - There was a severe and extended slow down of the system due to insufficient Band Width. This increased the amount of time it took to process an application to as long as 45 minutes.

In spite of all the problems listed above, the application backlog was resolved, and for program year 2005-06, there has not been a backlog of applications reported in any County.

### **Incomplete Applications and Completed Application in Error Status**

There are applications that have been processed by the agencies that have not generated benefits for the applicant. These applicants have not received benefits for various reasons including the following:

- a. **Incomplete** - The application was received and processed as incomplete, a systems generated notice was sent to the applicant and the applicant has not provided the documentation required to update the application.
- b. **Error Status** - The application is in error status due to a utility related problem and can only be corrected by the utility company.
- c. **Utility Processing** - The application shows payment pending because the utility is processing a USF benefit. Some cases remain in processing status longer than the prescribed time.
- d. **Data System Issues** - The application is in error status due to database discrepancies that cannot be corrected by the agency.

### **Application Processing and Agency Evaluation Criterion**

**Because there are many reasons why an application that has been processed by the agency has not generated a benefit, DCA feels it is very important to determine the status of all applications entered into the database that have not generated either a benefit or a denial notice. Further, the system was designed to send systems generated notices to applicants that need to provide additional documentation. Unless the recipient of the notice provides the additional documentation, no**

**additional action is required by the agency. These applications must be considered complete and counted as a part of any evaluation of agency work effort.**

**DCA has consistently expressed concern regarding the inability to accurately capture the work effort of the application agencies.** Funding based solely on the number of applications that generate a benefit is not an acceptable method to determine funding levels. **DCA recommends that a minimum of 10% of the program funding be used for administrative support.** While it is understood that administrative funding was initially set at \$3,000,000 due to a perception that USF would be an adjunct to the HEA Program and therefore would not require a significant increase in work effort at the State and local level, **the reality is that USF has significantly increase the work effort required at all levels, and has also increase the work effort required for the HEAP Program.** Without additional administrative funding for USF and with the cost share methodology used by DHS, DCA and the agencies processing application have received a funding reduction and therefore have no resources to support the additional work required for USF.

**To adequately measure the work effort of the application agencies DCA recommends that the following evaluation factors be included:**

1. The total number of applications processed
2. The total number of emergency assistance benefits processed
3. The total number of USF households outreached for Weatherization
4. Timeliness of application processing
5. The number of legitimate complaints and resolution time line
6. The number of administrative reviews based on final resolution

### **USF Benefit Level**

**DCA recommends that the \$1,800 for USF benefits be raised on removed.** Setting an artificial ceiling on the maximum USF benefits prevents those households with the highest energy burden from achieving an affordable energy bill. Raising the benefit level will not significantly impact the cost of the program since most household that receive USF have annual usage that is less than \$1,800. **The BPU can consider making it mandatory for recipients that are homeowners to accept Weatherization as a condition of receiving the higher level of benefit.** Raising or removing the benefit threshold will allow the program to assist those households with the lowest income and the highest energy burden through payment assistance and increased energy efficiency.

## **LIFELINE USF Issue**

The Department is in support of continuing to determine eligibility for USF for LIFELINE recipients utilizing the PAAD income certification process.

### **Public Access to Program Information**

To enhance access to information regarding USF/HEA and Weatherization, DCA recommends the following:

- a. Utilize public television, and local cable television programs to provide information to the public about the energy programs. Appearances on Community oriented programs by program spokespersons are a method of providing information to a wide audience at a low cost.
- b. Provide adequate support to application agencies for community based meetings to provide information and applications.
- c. Support the development of a fully automated phone system that provides users with the following information:
  1. The application period for USF and HEA
  2. Where to apply for USF/HEA/WAP
  3. Income eligibility Guidelines
  4. How to appeal or request a fair hearing

Having a fully automated phone system for program basics will enhance the opportunity for callers that need assistance with problems to get through on both the USF and HEA 800#'s.